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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-012]

Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

DATES: EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.)

SUMMARY: The Department of Commerce (the Department) determines that imports of carbon and certain alloy steel wire rod (steel wire rod) from the People's Republic of China (PRC) are being, or likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The period of investigation is July 1, 2013, through December 31, 2013. The final weighted-average dumping margins for this investigation are listed in the "Final Determination Margins" section below.

FOR FURTHER INFORMATION CONTACT: Brian Smith or Brandon Custard, AD/CVD Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1766 or (202) 482-1823.

SUPPLEMENTARY INFORMATION:

Background

The Department published the preliminary determination in the LTFV investigation of steel wire rod from the PRC on September 8, 2014.¹ The following events occurred since the Preliminary Determination was issued.

We invited parties to comment on the Preliminary Determination. No interested party submitted comments.² Therefore, the final determination does not differ from the Preliminary Determination, except as noted in the “Continuation of the Suspension of Liquidation” section, below.

Scope of the Investigation

The product covered by the scope of this investigation is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately circular cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (i.e., products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or

¹ See Carbon and Certain Alloy Steel Wire Rod from the People’s Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Preliminary Determination of Critical Circumstances, in Part, 79 FR 53169 (September 8, 2014) (Preliminary Determination).

² On October 8, 2014, the petitioners filed a letter indicating that they did not request a hearing, but would participate in a hearing if requested by any of the respondents in this investigation. Given that none of the respondents requested a hearing, no hearing was held.

more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigation is dispositive.

Final Determination Margins

The Department determines that the following weighted-average dumping margins exist for the period July 31, 2013, through December 31, 2013.

Exporter	Producer	Weighted-Average Dumping Margin
Rizhao Steel Wire Co., Ltd.	Rizhao Steel Wire Co., Ltd.	106.19%
Hunan Valin Xiangtan Iron & Steel Co., Ltd.	Hunan Valin Xiangtan Iron & Steel Co., Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Zhangjiagang Shajing Steel Co. Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Zhangjiagang Runzhong Steel Co., Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Zhangjiagang Hongxing Gaoxian Co., Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Zhangjiagang Rongsheng Steel-Making Co., Ltd.	106.19%

Jiangsu Shagang International Trade Co., Ltd.	Jiangsu Runzhong High-Tech Co., Ltd.	106.19%
Jiangsu Shagang International Trade Co., Ltd.	Zhangjiagang Hongchang Gaoxian Co., Ltd.	106.19%
PRC-wide Entity*		110.25%

* The PRC-wide entity includes, among other companies, Benxi Beiyang Iron and Steel Group Imp. and Exp. Corp. Ltd.,³ Tangshan Iron and Steel Group Co. Ltd., Angang Group International Trade Corporation, Qingdao Iron and Steel Co., Ltd., Jiangsu Yonggang Group Co. Ltd., and Baotou Steel International Economic & Trading Co., Ltd.⁴

Critical Circumstances

In the Preliminary Determination,⁵ we found that critical circumstances did not exist for entries of subject merchandise from the companies to which we granted a separate rate.⁶ In accordance with sections 776(a) and (b) of the Act, we applied facts available with an adverse inference to determine that critical circumstances existed with respect to entries of subject merchandise from the PRC-wide entity. No parties commented on, and we made no changes to, our preliminary critical circumstances analysis,⁷ for purposes of the final determination. Therefore, pursuant to section 735(a)(3) of the Act, we continue to find that critical circumstances do not exist for the separate rate companies, but do exist for the PRC-wide entity.

Continuation of Suspension of Liquidation

As noted above, for this final determination, the Department found that critical circumstances exist with respect to imports of the subject merchandise from the PRC-wide

³ For the reasons explained in the Preliminary Determination, the Department finds it appropriate to consider Bei Tai Iron and Steel Group Imp. and Exp. (Dalian) Co., Ltd. a part of Benxi Beiyang Iron and Steel Group Imp. and Exp. Corp. Ltd. See Preliminary Determination, and accompanying Preliminary Decision Memorandum at 9.

⁴ For the reasons explained in the Preliminary Determination, the Department did not find these companies eligible for a separate rate. See Preliminary Determination, and accompanying Preliminary Decision Memorandum at 8-11.

⁵ See Preliminary Determination, 79 FR at 53170.

⁶ Rizhao Steel Wire Co., Ltd., Hunan Valin Xiangtan Iron & Steel Co., Ltd., and Jiangsu Shagang International Trade Co., Ltd. (collectively, the separate rate companies).

⁷ See Preliminary Determination, 79 FR at 53170.

entity. Therefore, in accordance with section 735(c)(4)(A) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all imports of the merchandise subject to the investigation from the PRC-wide entity, that were entered or withdrawn from warehouse, for consumption on or after June 10, 2014, 90 days prior to publication of the Preliminary Determination in the Federal Register, and require a cash deposit for such entries as noted below.

Because we did not find that critical circumstances exist with respect to the separate rate companies, in accordance with section 735(c)(1)(B) of the Act, the Department will instruct CBP to continue to suspend liquidation of all entries of the subject merchandise from these companies which were entered, or withdrawn from warehouse, for consumption on or after September 8, 2014, the date of publication of the Preliminary Determination in the Federal Register.

Furthermore, consistent with our practice, where the product under investigation is also subject to a concurrent countervailing duty (CVD) investigation, we will instruct CBP to require a cash deposit equal to the amount by which the normal value exceeds the export price or constructed export price, adjusted where appropriate for export subsidies and estimated domestic subsidy pass-through.⁸ In the final determination of the companion CVD investigation on steel wire rod from the PRC, the Department determined that the mandatory respondents and all other companies benefited from export subsidies.⁹ Thus, we will offset the estimated weighted-average dumping margin for the PRC-wide entity of 110.25 percent, and for the separate rate

⁸ See sections 772(c)(1)(C) and 777A(f) of the Act, respectively. Unlike in administrative reviews, the Department makes an adjustment for export subsidies in an LTFV investigation not in the calculation of the weighted-average dumping margin, but in the cash deposit instructions issued to CBP. See Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision Memorandum at Comment 1.

⁹ See Carbon and Alloy Steel Wire Rod from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, and accompanying Issues and Decision Memorandum at 9-10 and Attachment entitled "Description of Programs," signed concurrently with this notice.

companies of 106.19 percent, by the CVD rate attributable to export subsidies (i.e., 13.01 percent¹⁰) to calculate the cash deposit rate for the PRC-wide entity of 97.24 percent, and for the separate rate companies of 93.18 percent.¹¹ Consistent with our Preliminary Determination, we are not adjusting the final determination rates for estimated domestic subsidy pass through because we have no basis upon which to make such an adjustment.¹²

The Department will instruct CBP to require a cash deposit¹³ equal to the weighted-average amount by which the normal value exceeds U.S. price, with the above-noted adjustments, as follows: (1) the rate for the exporter/producer combinations listed in the chart above will be the rate we have determined in this final determination; (2) for all PRC exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be the rate established for the PRC-wide entity; and (3) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be the rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter. These suspension of liquidation and cash deposit instructions will remain in effect until further notice.

¹⁰ The following subsidy programs countervailed for all companies in the final determination of the concurrent CVD investigation are export subsidies: Development of Famous Brands and China World Top Brands Programs (0.55 percent), Sub-Central Government Subsidies for Development of Famous Brands and China World Top Brands (0.55 percent), Funds for Outward Expansion of Industries in Guangdong Province (0.55 percent), State Specific Fund for Promoting Key Industries and Innovation Technologies (0.55 percent), Grants for Antidumping Investigations (0.55 percent), Technology to Improve Trade Research and Development (R&D) Fund (0.55 percent), Income Tax Reductions for Export-Oriented Foreign Invested Enterprises (FIEs) (0.00 percent), and Tax Refunds for Reinvestment of FIE Profits in Export-Oriented Enterprises (9.71 percent). See Carbon and Alloy Steel Wire Rod from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, and the accompanying Issues and Decision Memorandum at 9-10 and Attachment entitled "Description of Programs," signed concurrently with this notice.

¹¹ We did not make any adjustment for export subsidies in the Preliminary Determination. See Preliminary Determination, 79 FR at 53171.

¹² See Preliminary Determination, and accompanying Preliminary Decision Memorandum at 18.

¹³ See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

ITC Notification

In accordance with section 735(d) of the Act, we notified the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. As the Department's final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine, within 45 days, whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of subject merchandise, or sales (or the likelihood of sales) for importation, of the subject merchandise. If the ITC determines that such injury does not exist, this proceeding will be terminated and all estimated duties deposited as a result of the suspension of liquidation will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Return or Destruction of Proprietary Information

This notice also serves as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of propriety information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: November 12, 2014.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

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